

ASX Announcement

6 July 2018

Appointment of CEO & Managing Director

Further to the announcement on 5 April 2018, the Board of ReNu Energy Limited (**ASX: RNE**) (ReNu Energy) is pleased to announce the permanent appointment of Mr Craig Ricato as Chief Executive Officer and Managing Director of the Company.

Over the last three months the Board and executive team have critically reviewed and refined the Company's development, finance and execution strategies. The Board is focussed on the creation of long term value for shareholders, and considers the permanent appointment of Mr Ricato as CEO & Managing Director as a critical step in ensuring that the Company has an experienced, competent and motivated executive leadership capable of executing the strategic plan.

The principal components of the remuneration package agreed with Mr Ricato are as follows:

- An annual salary of \$375,000 plus compulsory superannuation.
- Short term incentive – Mr Ricato will be entitled to participate in a Short Term Incentive (**STI**) Scheme as approved by the Board. Where Mr Ricato participates in the STI Scheme the maximum available earnings for the STI will be 50% of annual salary, which is only payable on the achievement of performance targets.
- Long term incentive (**LTI**) – Subject to shareholder approval, the Company will grant Mr Ricato the following LTI package under its Loan Share Plan, with the vesting conditions being based on growth in the ReNu Energy share price:
 - 3 tranches of 28.85 million shares per tranche (**Plan Shares**) at an issue price equal to the volume weighted average price (**VWAP**) of ReNu Energy Limited shares calculated over a 30 Trading Day period ending on the date immediately prior to the Issue Date.
 - the Company will provide Mr Ricato with an unsecured limited recourse loan to fund the acquisition of the Plan Shares. The loan will be repayable if Mr Ricato ceases to be employed by the Company or if the Plan Shares are not vested within ten years after the Issue Date (**Maturity Date**). In accordance with the Plan Rules, the Company has discretion to waive repayment of all or part of the loan with or without conditions.

- The Plan Shares tranches granted under the Loan Share Plan will each have a vesting condition threshold of ReNu Energy achieving a minimum share price as described in the following table:

| Tranche | No. of Plan Shares | Vesting Condition | Earliest Vesting Date |
|---------|--------------------|--|-----------------------|
| 1 | 28.85m | ReNu Energy volume weighted average share price over any 20 Trading Day period on or before the Maturity Date is at least \$0.02 per share (or equivalent if capital reconstruction occurs). | 6 July 2019 |
| 2 | 28.85m | ReNu Energy volume weighted average share price over any 20 Trading Day period on or before the Maturity Date is at least \$0.04 per share (or equivalent if capital reconstruction occurs) | 6 July 2019 |
| 3 | 28.85m | ReNu Energy volume weighted average share price over any 20 Trading Day period on or before the Maturity Date is at least \$0.05 per share (or equivalent if capital reconstruction occurs) | 6 July 2019 |

- All unvested Plan Shares will vest immediately if a Change of Control occurs (as defined in the Plan Rules).
- The Agreement can be terminated by the Company on six month's notice and by the executive on three month's notice.
- Mr Ricato may also resign on one month's notice if there is any material reduction in his position, duties or role or if he is required to relocate from Brisbane. In these circumstances, the Company has agreed to pay Mr Ricato accrued but unpaid short-term bonuses, a retirement payment equal to 12 months base remuneration and the value of any unvested equity remuneration, provided that the total of the amounts payable must not exceed the amount that the Company may pay without shareholder approval.

The Company intends to have the proposed allotment of Plan Shares to Mr Ricato tabled at the November 2018 Annual General Meeting (or at an earlier Extraordinary General Meeting should one be convened for other purposes) for shareholders to consider and if deemed appropriate, approve the issue of those Plan Shares to Mr Ricato.

The Board believes that the package for Mr Ricato is both competitive in the current market, aligned with shareholder interests and suitably rewarding of success in progressing the Company's strategy.

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Forward-looking Statements: This ASX-announcement contains forward-looking statements. These statements are based on an assessment of present economic, market and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place that are subject to risks and uncertainties. Forward-looking statements are not a guarantees of future performance actual results, performance or achievements of ReNu Energy may be materially different from the statements in this announcement. ReNu Energy does not undertake to update or revise forward-looking statements.